

MINUTES OF THE MEETING  
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY

February 28, 2007

**MEMBERS PRESENT:** Ryan Kitchell; Lance Rhodes; Bill Lister; Ron Fruitt

**ALSO PRESENT:** John Meade, Hall Render; Bob Kocher, Bank of New York; Kristin McClellan, Ice Miller; Terri Hawkins, Wells Fargo; Curt Fritsch, CRF Financial Group; Jenni Alvey; Cindy Pierson; and Dan Kramer.

Mr. Kitchell welcomed those in attendance, recognized the presence of a quorum and called the meeting to order at 11:10 a.m. on February 28, 2007, in Suite 900, One North Capitol Avenue, Indianapolis, Indiana, pursuant to notice thereof.

Mr. Kitchell asked for approval of the Minutes of the January 24, 2007, meeting of the Indiana Health and Educational Facility Financing Authority. Mr. Lister asked for a minor typographical change be made to the minutes. Thereupon, upon motion made by Mr. Fruitt and seconded by Mr. Rhodes, it was unanimously:

**RESOLVED**, the Minutes of the January 24, 2007, meeting of the Indiana Health and Educational Facility Financing Authority are hereby approved with typographical change and the Executive Director is instructed to execute same and to place same in the Minute Book as the Minutes of the January 24, 2007, Meeting of the Indiana Health and Educational Facility Financing Authority.

EXECUTIVE DIRECTOR'S REPORT

A copy of the Executive Director's Report is attached hereto as Exhibit A.

The Executive Director began by telling members about the Resolution for Gibson General Hospital, Inc. for an amount not to exceed \$2,500,000. The purpose of this financing is for an approximately 800 square foot expansion to the existing facility and the purchase of new CT & MR equipment.

Thereupon, upon motion made by Mr. Rhodes and seconded by Mr. Lister, it was unanimously:

**RESOLVED**, the resolution authorizing the making of a loan by the Indiana Health and Educational Facility Financing Authority to Gibson General Hospital, Inc. in a principal amount not to exceed Two Million Five Hundred Thousand Dollars, and approving and authorizing other actions in respect thereto.

A copy of the resolution is attached hereto as Exhibit B.

The Vice Chairman continued with the next item on the agenda, an Oral Resolution authorizing a 4% pay increase for the IHEFFA Executive Director.

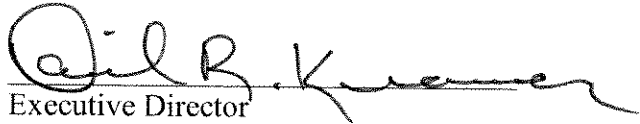
Thereupon, upon motion made by Mr. Lister and seconded by Mr. Rhoades, it was unanimously:

**RESOLVED**, that the Authority hereby authorizes the approval of a 4% pay increase for the IHEFFA Executive Director.

The Executive Director concluded his report.

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Executive Director

**EXHIBIT A**

**INDIANA HEALTH AND EDUCATIONAL FACILITY  
FINANCING AUTHORITY**

ONE NORTH CAPITOL AVE., SUITE 900  
INDIANAPOLIS, INDIANA 46204  
(317) 233-4335      FAX: (317) 232-6786

**REPORT BY**

**DANIEL KRAMER, EXECUTIVE DIRECTOR**

**February 28, 2007**

**Activities for the period January 25, 2007, through February 28, 2007, are as follows:**

**I. Special Projects in Various Stages of Development:**

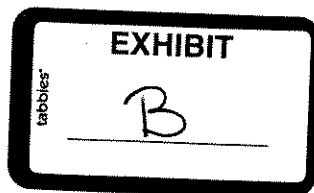
1. University of Indianapolis – Closed	<b>\$10,995,000</b>
2. Community Hospital of LaGrange County, Inc.	\$26,750,000
3. University of Indianapolis	\$12,250,000
4. Tri-City Comprehensive Community Mental Health, Inc.	\$ 1,180,000

**II. 1985 A Variable Rate Pool Activity**

1. New Applications: None	
2. Pending Applications: None	
3. Approvals: Johnson Memorial Hospital	\$6,000,000

**III. Comments**

1. The University of Indianapolis issue closed (\$10,995,000) on January 31, 2007.
2. Included in Authority Members' folders is an application and resolution for the Gibson General Hospital transaction in an amount not to exceed \$2,500,000. John Meade of Hall Render, Killian, Heath & Lyman, Bond Counsel, was here to discuss the resolution.



**RESOLUTION AUTHORIZING THE MAKING OF A LOAN BY THE  
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY  
TO GIBSON GENERAL HOSPITAL, INC.  
IN A PRINCIPAL AMOUNT NOT TO EXCEED  
TWO MILLION FIVE HUNDRED THOUSAND DOLLARS,  
AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO**

**WHEREAS**, the Indiana General Assembly enacted Indiana Code 5-1-16, as amended (the "Act"), which created the Indiana Health and Educational Facility Financing Authority (the "Authority") which is empowered to borrow money and make loans to Participating Providers (as defined in the Act) for the financing, reimbursing or refinancing of all or any part of the cost of Health Facility Property (as defined in the Act); and

**WHEREAS**, Gibson General Hospital, Inc. (the "Borrower"), a Participating Provider within the meaning of the Act, has requested that the Authority enter into a Master Financing Agreement dated as of March 1, 2007 (the "Financing Agreement") by and among GE Capital Public Finance, Inc., as Lender ("GE Capital"), the Authority, as Issuer, and the Borrower, as Obligor, pursuant to which GE Capital will make a loan in a principal amount not to exceed \$2,500,000 (the "Loan") to the Authority, which will make the proceeds of the Loan available to the Borrower for the purpose of (1) financing and reimbursing a portion of the cost of constructing, acquiring, renovating and equipping Health Facility Property within the meaning of the Act, and (2) paying certain costs of making the Loan (collectively, the "Project"); and

**WHEREAS**, the Authority desires to procure the Loan from GE Capital and loan the proceeds thereof to the Borrower for purpose of financing the Project; and

**WHEREAS**, the proceeds of the Loan shall be held until disbursed for Project costs pursuant to an Escrow Agreement dated as of March 1, 2007, by and among GE Capital, as Lender, the Authority, as Issuer, the Borrower, as Obligor, and Marshall & Isley Trust Company N.A., as Escrow Agent (the "Escrow Agreement"); and

**WHEREAS**, the Authority has determined, in accordance with IC § 5-1-16-9, it is in the best interest of the Authority to provide direction to the Borrower and GE Capital concerning the identity of individuals who are authorized to bind the Authority to contractual commitments with the use of signature stamps; and

**WHEREAS**, the Authority desires to authorize its Chairman, Vice Chairman or Executive Director to take certain actions in preparation for procuring the Loan and lending the proceeds thereof to the Borrower;

**NOW, THEREFORE, BE IT RESOLVED** by the members of the Authority that:

**Section 1.** Based solely on the application of the Borrower, the Authority hereby finds that the Project is necessary or helpful to provide, directly or indirectly, healthcare; medical research; habilitation, rehabilitation or therapeutic services; or any related supporting services; in Indiana and thus constitutes Health Facility Property within the meaning of the Act.

**Section 2.** Procurement of the Loan in a principal amount not to exceed \$2,500,000 is hereby authorized under and pursuant to the Act and lending the proceeds thereof to the Borrower for the purpose of financing the Project, provided that the appropriate actions are taken pursuant to the Act, the Internal Revenue Code of 1986, as amended, and applicable securities laws as may be required to implement the aforesaid financing and that all of the foregoing shall be mutually acceptable to the Authority and the Borrower.

**Section 3.** The forms of the Financing Agreement and the Escrow Agreement (collectively known as the "Financing Documents") presented to the Authority are similar to those which will be used in the financing. However, the documents are subject to change based on review by counsel. The Financing Documents as approved by counsel before closing are hereby approved and incorporated herein by reference and shall be kept by the Executive Director of the Authority.

**Section 4.** The Authority shall procure the Loan for the purposes set forth in Section 1 hereof, in a principal amount not to exceed \$2,500,000. The Loan may bear tax-exempt interest at interest rates determined in accordance with the Financing Documents, and will be subject to the prepayment terms described in the Financing Documents, as such Financing Documents shall be approved by the Chairman or Vice Chairman. The proceeds of the Loan shall be loaned to the Borrower to be used as more particularly set out in the Financing Documents. The Loan will be payable as to principal and interest from the payments to be made by the Borrower under or as otherwise provided in the Financing Documents. The Loan shall mature no later than sixty (60) months from the date of closing and shall be payable at such places as are set forth in the Financing Agreement, as the Financing Agreement shall be approved by the Chairman or Vice Chairman.

**Section 5.** The procurement of the Loan shall be contingent upon receipt of the approval of the Lt. Governor of the State of Indiana pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The Loan shall not constitute a debt of the State of Indiana or any political subdivision thereof, within the meaning of the provisions of the constitution or statutes of Indiana, or a pledge of the faith and credit of the Authority or the State of Indiana or any such political subdivision.

**Section 6.** The Borrower will indemnify and hold the Authority, its members and the State of Indiana, including its officers, attorneys, employees and agents, free and harmless from any loss, claim, damage, tax, penalty, liability, disbursement, litigation expenses, attorneys' fees and expenses or court costs arising out of, or in any way relating to, the execution or performance of the Financing Documents or any other documents in connection therewith or any other cause whatsoever pertaining to the Project or the Loan, including actions taken under the Financing Documents or any other cause whatsoever pertaining to the Project or the Loan, all as further described in the Financing Agreement, except in any case as a result of the intentional misrepresentation or willful misconduct of the Authority.

**Section 7.** Either the Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute (by manual or facsimile signatures affixed in accordance with Section 10 below) the Financing Agreement and the Executive Director of the Authority is hereby authorized and directed to attest said signature (by manual or facsimile signature affixed

in accordance with Section 10 below), in a form similar to that presented to this meeting, but with such changes as approved by counsel before closing, such changes shall be approved by the Chairman, Vice Chairman or Executive Director of the Authority executing said document, with such execution to constitute conclusive evidence of the Chairman's or Vice Chairman's approval and the Authority's approval of any changes from or revisions to such document now before this meeting. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to deliver the Financing Agreement to GE Capital upon receipt of the Loan proceeds by the Escrow Agent, subject to the approval of the Chairman or Vice Chairman as described in Section 4 hereof and the approval of the Lieutenant Governor of Indiana in accordance with Section 147(f) of the Code as described in Section 5 hereof.

**Section 8.** Either the Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute (by manual or facsimile signatures affixed in accordance with Section 10 below), and the Executive Director to attest such signature where appropriate (by manual or facsimile signature affixed in accordance with Section 10 below), and deliver the Escrow Agreement, in a form similar to that presented to this meeting, but with such changes as approved by counsel before closing, such changes shall be approved by the Chairman, Vice Chairman or Executive Director of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chairman's or Vice Chairman's approval and the Authority's approval of any changes from or revisions to such documents now before this meeting.

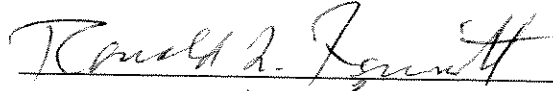
**Section 9.** The Chairman, the Vice Chairman and the Executive Director of the Authority, or any of them, are hereby authorized to execute any other document or take any other action which may be necessary or desirable to consummate the transaction described herein, including execution of any certifications requested by GE Capital or Bond Counsel.

**Section 10.** The Authority hereby authorizes the use of a signature stamp of the Chairman or Vice Chairman and the Executive Director (the "Authorized Signatories") on all documents (excluding the IRS Form 8038) necessary or desirable in connection with the issuance of the Loan. Each Authorized Signatory may authorize, in a writing executed with a manual signature, Authority Counsel or any other person to affix a stamp of such Authorized Signatory's signature to the Financing Documents or any other documents, such delegation and authorization shows the approval of such Authorized Signatory and the Authority agrees to be bound by any document executed in such manner.

**Section 11.** The provisions of this Resolution and the Financing Documents shall constitute a contract binding on the Authority, and after the procurement of the Loan, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of GE Capital or its assignee as Lender under the Financing Agreement so long as any of the Loan or the interest thereon remain unpaid.

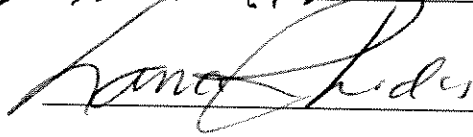
This resolution adopted on this 28<sup>th</sup> day of February, 2007.

INDIANA HEALTH AND EDUCATIONAL  
FACILITY FINANCING AUTHORITY

  
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Attest:

  
Daniel R. Kramer, Executive Director